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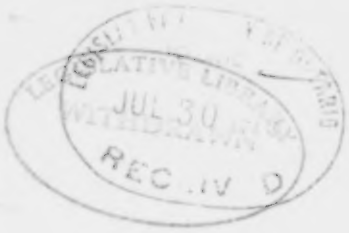

REPORT

OF THE

CONSUMER PROTECTION COUNCIL

Minister of Financial Institutions, Companies and Cooperatives

Parliament Buildings

Québec

104-03389/

Québec, September 18, 1972

Mr. William Tetley
Minister of Financial Institutions,
Companies and Cooperatives
Parliament Buildings
Québec.

Mr. Minister:

I am pleased to submit to you, in your capacity as Minister of Financial Institutions, Companies and Cooperatives, the 1971-72 report of the Consumer Protection Council.

This report was prepared by the Council and fully discussed, and all the members unanimously approved the enclosed text.

In addition to informing you as to the principal activities of the Council during 1971-72, this report has attempted to outline its plans for study and action in 1972-73.

Respectfully submitted,

The Consumer Protection Council

LAVAL GRONDINES, President

REPORT OF THE CONSUMER PROTECTION COUNCIL

I - THE COUNCIL

On July 14, 1971, the Consumer Protection Act was unanimously adopted by the National Assembly. The Act was put into force in five stages, by proclamations issued by the Lieutenant-Governor, the first dated July 21, 1971 and the last August 1, 1972.

The sections affecting the Council were put into force by the first proclamation on July 21, 1971.

The Act states that the Council shall not have less than 10 nor more than 15 members.

(*) During the past year, the members of the Council were the following:

Chairman:	Wilfrid Stébenne, Town of Mount Royal, The Better Business Bureau, Advertising Standards Council
Vice-chairman:	Laval Grondines, Charlesbourg, Québec Teachers' Corporation (Q.T.C.)
Members:	J.-André Bellavance, Rimouski, Chamber of Commerce of the Province of Québec
	(Mrs.) Cécile Rolland-Bouchard, Chicoutimi, Fédération des femmes du Québec, Conseil d'expansion économique, Association Club des Femmes de carrière de Chicoutimi

(*) The following list gives the names of each member of the Council, his place of residence and the organizations to which he belongs.

Members (continued):

Mrs. Joseph Caron,
Coaticook,
Cercle des fermières

Ronald Cohen,
Montréal,
Automobile Protective Association
(A.P.A.)

E.-Raymond Côté,
Québec,
Retail Council of Canada
(Québec section)

Raymond Girardin,
Laval,
Association des compagnies de
prêts aux consommateurs

Mrs. Dominique Goudreault,
Nicolet,
Association féminine d'éducation
et d'action sociales (AFEAS)

Mrs. Flore D. Jutras,
World Association of Women
Executives, Canadian Section

Mrs. Hanna Lambek,
St. Lambert,
Consumers' Association of Canada
(C.A.C.)

Clément Mercier,
Amos,
La Fédération des associations
Coopératives d'économie familiale
(ACEF)

Charles Perrault,
St. Lambert
Québec Employers Council
(Q.E.C.)

Yvan-Patrick Phelan,
Association des ventes directes
à domicile

Jacques Towner,
Québec,
Conseil de la coopération du Québec,
Fédération des magasins Co-op.

Two members resigned during the year: the chairman, Wilfrid Stébenne, left for health reasons and Yvan-Patrick Phelan retired.

Following Wilfrid Stébenne's resignation, Laval Grondines took the chair on May 13, 1972, and was named Chairman of the Council by Order in Council 2649-72, dated September 7, 1972.

To date, the Council has held twelve (12) meetings, four (4) of which lasted two (2) days. All the meetings took place in Québec.

Section 87 of the Consumer Protection Act provides for the remuneration of Council members as follows:

> "Section 87: The members of the Council shall receive no salary as such; they may be indemnified for their expenses in attending meetings and receive an attendance allowance fixed by the Lieutenant-Governor in Council."

This attendance allowance was fixed at $35 a day. The members are also reimbursed for their travelling and living expenses.

The following table gives an idea of the interval between meetings, member attendance and the expenses incurred by the government for this organization.

DATE OF MEETINGS	NUMBER PRESENT	FEES	LIVING EXPENSES	TOTAL
August 25, 1971	14	$ 490.00	$ 508.19	$ 998.19
September 10, 1971	14	490.00	625.98	1,115.98
October 12, 1971 October 13, 1971	15 14	1,015.00	1,075.83	2,090.83
November 9, 1971	14	490.00	798.94	1,288.94
December 20, 1971	14	490.00	704.95	1,194.95
January 26, 1972 January 27, 1972	9 9	630.00	601.50	1,231.50
February 15, 1972	12	420.00	511.21	931.21
March 16, 1972	12	420.00	724.25	1,144.25
May 9, 1972 May 10, 1972	12 9	735.00	746.42	1,481.42
June 13, 1972 June 14, 1972	11 10	735.00	893.36	1,628.36
July 25, 1972	12	420.00	500.57(1)	920.57
August 8, 1972	12	420.00	522.06(1)	942.06
TOTALS		$6,755.00	$8,213.26	$14,968.26

(1) Incomplete

Under Section 85 of the Act, the Council's powers are as follows:

"Section 85: The functions of the Council shall be:

(a) to advise and make suggestions to the Minister on any matter he sees fit to submit to it;

(b) to study at the Minister's request any problem respecting the application of this act and to submit reports and suggestions in this respect to the Minister;

(c) to exercise any other advisory functions which the Lieutenant-Governor in Council may confer on it."

Another function is confered upon the Council by the second-to-last paragraph of Section 102 of the Act, which reads as follows:

"Before the regulations contemplated in subparagraphs j, l and p are made, they must be submitted to the Consumer Protection Council."

Paragraphs j, l and p deal with the following regulating powers:

"(j): to determine standards for packing, labelling or presenting any goods;

(l): to determine standards of quality and safety for goods;

(p): to exempt from the application of this act all or part of such class of persons, goods, or contracts as he indicates;"

At their very first meeting, the Minister told the Council that even if he did not in any way wish to change the Act or the internal management regulation, or bind his successors, the Council could if it chose, study any problem it wished and make any recommendations it judged appropriate.

II - THE REGULATIONS

During its first year of operation, the Council devoted its time almost exclusively to applying the Act. Consequently, it is evident that the Government had to adopt an absolutely indispensable minimum of regulations.

During the period covered by this report, the Lieutenant-Governor in Council adopted ten (10) special regulations and one (1) general regulation consolidating the various regulations. These regulations were first discussed in depth by the Council, with the exception of Regulation No. 7 on security by collective guarantee policies, which had to be adopted in haste and was submitted to the Council after adoption.

This was hard, dry work, but all the members bent to the task, aware that it was important and necessary for a gradual and logical enforcement of the Act.

Although the Act set out the main principles, it could not be put into force without regulations to establish rules to govern details and methods. Ten separate regulations were originally adopted and put into force successively; then, on May 24, 1972 (O.- in - C. 1408-72), they were consolidated in a general regulation published in the Official Gazette on June 10, 1972.

To help you recall the gist of the general regulation, here are a few of its more important points.

The exemptions under Division II have been carefully studied. At our request the texts submitted by your Department were amended. We believe that, although these exemptions are numerous, they do not betray the spirit of the Act which is the protection of the citizens of this province.

Division III deals with the form of documents and imposes compulsory provisions which must appear in various contracts. The public will feel the effect of this division very soon, since it has been in force since last August 1. As a general rule, contracts involving credit and contracts between consumers and itinerant vendors will be completely different from what they used to be. The most important clauses must be identically stated in all contracts; the contracts must be drawn up in easily legible type, in the consumer's language and they must be signed at the very end, a practice which will avoid many surprises.

Division IV deals with credit charge. We apologize for the technical nature of the language used but we did not believe it possible to proceed otherwise. In this division, the Government imposes bookkeeping and actuarial rules on merchants.

The two sciences make use of technical language and are themselves used mainly by experts. Is is up to these experts to establish a method of disclosing the credit charge in dollars and cents and in real annual rates. The legislator's main idea was to allow only one method of disclosing the credit charge and the credit rate.

As regards the credit charge, in general the legislator wanted the entire sum a consumer is obliged to spend on a loan of money to be declared as part of the charge, even if some of the amount so spent goes into the pockets of the Government or of a business concern rather than those of the merchant. As for the credit rate, we learned that some merchants use a rate known as the "add on" or "flat" rate, expressed in a percentage about 50% lower than the rate disclosed by the actuarial method. Calculations for "flat" or "add on" credit rates are always based on the initial capital and do not take into account the periodic payments the consumer may make. The actuarial rate imposed by the general regulation, however, takes these periodic payments into account and, in our opinion, is the only method which really discloses the credit rate demanded of the consumer. We are very pleased to note that with the imposition of this uniform method, many abusive or misleading methods become illegal and will no longer be tolerated.

Division X of the Act enforces the obligation for every itinerant vendor and every vendor of used automobiles to hold a permit. Division VII of the general regulation deals with permits, divides them into classes and imposes strict conditions for all persons wishing to obtain a permit to work in one or the other of these fields. Division VIII of the general regulation sets out the security and duties to be paid by anyone requesting a permit. These are determined according to a scale based on the size of the applicant's business. Thus, security

begins at one thousand dollars if the applicant acts alone and the value of his sales is usually under one hundred dollars, and may reach five hundred thousand dollars if the value of the applicant's sales is generally over one hundred dollars and he employs one thousand representatives or more. This security is required to ensure that the holder and his representatives observe the law and especially to guarantee indemnification of any consumer in whose favour judgment is pronounced against the holder or his representatives, whether this be a civil judgment in favor of the consumer or a criminal judgment requiring payment of a fine to the Crown. Contrary to the usual practice, however, preference is given to the consumer. Moreover, as soon as a merchant holding a permit is prosecuted, he must produce additional security which is withheld until judgment is pronounced, at which time the additional security will be used to pay the sum awarded to the consumer or the fine imposed in favor of the Crown. Permit holders must provide their representatives with cards which must be shown to any consumer upon request.

We also consider Division XI of the regulation very important. It imposes the merchants' obligation to hold certain sums of money received by them in trust accounts; this refers to money paid in view of a possible contract and money paid to itinerant vendors.

We cannot at present appreciate the effect of this general regulation since its most important provisions only came into force on August 1. We believe, however, that the general regulation as a whole truly tends to protect the consumer and also to keep him better informed and add to his knowledge. In short, contracts involving credit and contracts between consumers and itinerant vendors must be drawn up in duplicate in the consumer's language, and in easily legible type; they must use the same basis for disclosing credit charge and credit rate and

contain identical provisions, and they cannot contain any hidden clauses since the consumer must sign at the very end.

The Council will continue to revise the regulations and propose such changes as are required by the development of consumer products.

III - THE COUNCIL'S PLAN OF ACTION

After the general regulation had been adopted, the Council turned to a careful study of other matters.

Several problems had been mentioned during previous meetings, but careful study of them had been postponed until a later date in view of the urgent need to draw up regulations. Once this was done, the Council set up a plan of action to guide it in its future work, and in so doing it retained only those points it considered the most important.

These may be divided into five chapters:

A. The Act and the regulation
B. Informing and educating the consumer
C. Merchants' advertising
D. The automobile and the driver
E. Packaging and labelling

A. THE ACT AND THE REGULATION

On the whole, the Council considers the Act a good law. However, this is only a first step and the Council believes that it should be reviewed, completed and amended in the light of experience after one full year in force.

(1) Cash Sales

In general, the Act only regulates contracts concluded between merchants and consumers on credit, except in the case of contracts concluded with itinerant vendors. The cash sales made by a merchant at his store, without previous solicitation outside the store, are not regulated. The result of this is somewhat absurd. For example, if two consumers buy two identical cars on the same day, for the same price, but one pays cash and the other buys on credit, the latter is protected by the Act, especially under Division VI regarding warranty and advertising, while the former is not. This is inconsistent and should be corrected.

(2) Trust Accounts

The rules on trust accounts in Division XI of the general regulation appear sensible, but the keeping of these accounts is so important that it should be covered in a special Division incorporated in the Act itself.

(3) Pyramid Sales

Pyramid sales are the subject of Section 75 of the Act. Our opinion is that they are a social evil to be stamped out as quickly as possible. We realize that the Department is having great difficulties with companies operating such systems and that it has had some success in Court, but without prejudice to the proceedings presently being heard before the Courts, we would like to see a complete review of all cases instituted, both in first instance and in appeal, made as soon as possible and the proceedings themselves accelerated. If the Act is to be amended, the National Assembly should do so without delay.

(4) Subscriptions

The Consumer Protection Bureau has received a great number of complaints regarding subscriptions to reviews and magazines. We believe that Section 3.14 of the general regulation which imposes very strict compulsory provisions regarding this type of contract will deal with much of the abuse experienced by the population. These complaints are now beginning to extend beyond the scope of magazines and it would be in order to examine the possibility of imposing similar compulsory provisions with regard to these consumer goods.

(5) Agencies for Collection and Consolidation of Debts

Many abuses are committed by agencies for the collection and consolidation of debts. The methods used by some of these are clearly annoying. A serious study of this field of activity should be carried out and the provisions necessary should be included in the Act to settle at least the most obvious injustices.

(6) Class Action

It would be appropriate to make a thorough study of the possibility of instituting under the Act what are called "class actions". In some specific cases, the Director of the Bureau could appear in Court on behalf of several consumers, either as plaintiff or as defendant. We realize that giving this power to the Director would entail some expenses. A still more economical way of settling various problems would be to grant certain associations the right to represent consumers in Court and perhaps you could even grant consumers the specific right to act jointly either as plaintiffs or as defendants. This already exists in labor law where the Minimum Wage Commission and the different parity committees can exercise the civil recourses pertaining to various groups of employees. In this way, the joint committees may exercise actions for additional salary and even claim an additional 20% to pay their administration expenses.

The Bureau could also represent consumers before boards and commissions to emphasize the interest of the population in general as far as the economic effects of their decisions are concerned.

(7) Technical Problems

While discussing the proposed regulations at length, we realized that the Department is faced with major technical problems. To mention only one, we believe that the definitions of the words "goods", "contract", and "itinerant vendor" should be revised in depth. We also believe that the definition of the word "sale" should be deleted and the expression "accessory credit" defined. These, however, are technical problems of a purely legal nature. There are many others. We believe that the Department lawyers are aware of the urgent need for amendments required in this respect.

B. INFORMING AND EDUCATING THE CONSUMER

The title of the Act itself shows that its purpose is to protect, educate and inform the consumer. The consumer is each citizen of this province. We note that the Act is quite well known by the merchants, at least the principal ones, but very little by the consumer public in general. The Department made a noble effort to make the Act known, as did the Bar and the credit unions. Because the Act is new and was applied in sections, not much more could be

done. However, in the light of a full year's experience, the Department must reappraise the value of the publicity methods it has been using and employ all means to better inform the general population.

One of the principal rôles of the Bureau, perhaps its most important, is to publicize the Act and the regulation, so as to better inform and educate the consumer. It must inform the merchants of the new obligations imposed on them and the consumers of the many rights they have under the Act. The Bureau has two principal means of doing so: free advertising and paid advertising.

Much direct and indirect free advertising has been done. The Council takes this opportunity to thank the press for the educative rôle it has played in this respect. All means should be taken to increase at least this free advertising. We suggest press conferences, news bulletins, and radio and television programs.

Free advertising, even though of great value, is not sufficient. The Bureau was entrusted with the task of informing and educating consumers by its own means. It has made commendable efforts using the facilities at its disposal, but we realize that this is not sufficient. In our opinion, the budget of the Department for publicising the Consumer Protection Act should be considerably increased. A joint information and advertising program should be set up by the Department in close collaboration with the advertising agencies and all media, particularly television.

C. MERCHANTS' ADVERTISING

Merchants' advertising is the subject of Division VI of the Act (Sections 60 to 66). Section 60 shows the main preoccupation of the legislator:

> "Section 60: Any goods furnished by a merchant must comply with the description of them given in the contracts and in catalogues, circulars and other means of advertising."

Advertising is also considered in paragraph (o) of Section 102 which gives the Lieutenant-Governor in Council the authority to make regulations:

> "to determine standards for advertising goods, whether or not they are the object of a contract, or credit, especially all advertising intended for children."

This authority has already been exercised with regard to advertising dealing with credit charges and detailed rules on this subject are included in Division V of the general regulation. However, we believe that standards should also be set in two specific fields:

(1) advertising in general

(2) advertising intended for children.

(1) Advertising in General

The powers granted under paragraph (o) of Section 102 of the Act seem very broad and we believe that in carrying them out the Government can regulate advertising in a realistic and objective

manner. However, this is highly technical and very complicated. It is unthinkable that a regulation establishing advertising standards can be written and adopted overnight. We strongly recommend that the Department tackle this question without delay. First, the basic documentation must be gathered and the legislation of the other provinces and countries consulted. Meetings must be set up with the advertising agencies, the media and the Canadian Radio - Television Commission. In this regard, the Department should retain the services of publicists. We hope that once this is done, a draft regulation can be presented to us as soon as possible, even though we realize that this may take some time.

(2) Advertising Intended for Children

Advertising intended for children, especially where children are used as actors, is, in some ways, revolting. The Council has often examined this question and considers that one of its first moves will be to study it thoroughly and recommend the adoption of very strict rules as soon as possible. A special committee of the Council has even been set up and has prepared a preliminary report. The Minister has retained the services of a lawyer who must prepare a draft regulation, and report not later than September. This subject must be studied without delay.

D. THE AUTOMOBILE AND THE DRIVER

The automobile is one of the biggest items in the budget of most consumers. The purchase, maintenance, use and repair of an automobile, the insurance to be purchased and, often, the damages, the injuries and the deaths resulting from accidents are of such importance as to require the legislator's special attention. The Minister ordered a thorough study by the Automobile Protection Association which reported through its President, Philip Edmonston. Mr. Edmonston's report was submitted to the Council at its meeting in June in the presence of representatives from all Departments concerned. The Council is now studying the recommendations it will make in the light of this report. Meanwhile, independently of Mr. Edmonston's report, in the sole light of the Council's discussions during the year preceding the preparation of this study, the Council wishes to make the following observations immediately:

(1) Used Automobiles Sales

Several automobile dealers sell both new and used automobiles. The number of complaints received by the Consumer Protection Bureau leads us to believe that the existing provisions of the Act are not sufficient especially as regards used automobiles. The nature of these complaints should be carefully studied and strict rules should be established to remedy the most flagrant abuses.

(2) Repairs

Most drivers complain about the garages which make the repairs. They claim, rightly or wrongly, that they are literally robbed in these garages. This is often true but also it is often false, although we believe that too often it is true. In some cases, the garage keepers are incompetent, whereas in others, they are simply dishonest.

The Department of Labour published a draft regulation (No. 3) in the Official Gazette of April 8, 1972 (pp. 3249 to 3279), respecting manpower vocational training and qualification and applying to the repair and maintenance of motor vehicles.

This draft regulation was published with the following notice:

> "those who wish to bring forward objections to this regulation draft must do so in the thirty (30) days following publication of the said draft."

The Council hopes that this regulation will be adopted at the earliest possible date.

(3) Automobile Insurance

The Government appointed a committee to make an extensive study of this question. This committee's report should be published soon. The Council urges the Government to legislate on this as soon as possible after it learns of its experts' findings.

(4) Powers of Regulation

The legislator is certainly aware of the problems facing motorists, since two paragraphs of Section 102 giving the Government the authority to make regulations deal particularly with the automobile.

> "(h): to prescribe the information which a used automobile vendor must disclose respecting a used automobile which he offers for sale;"

> "(i): to prohibit the making of such changes as he indicates to used automobiles or parts thereof, and to compel the disclosure of the permissible changes which he indicates;".

Moreover, under Section 89 of the Act, every vendor of used automobiles must hold a permit and the regulation compels him to furnish a substantial security.

Two other paragraphs of Section 102 can be applied more particularly to automobiles, even if the Governement does not want to legislate on other goods at this time. They are:

> "(l): to determine standards of quality and safety for goods;"

> "(m): to determine standards for written instructions and manuals respecting use and maintenance of goods, and the language in which they must be drafted;".

Il would certainly be in the interest of the Provincial Government to contact those of the other provinces, and the Federal Government, in this regard. We believe that, either with or without the collaboration of the others, the Québec Government must exercise the authority it is granted under the Act in this field.

(5) Log Book

Along the same lines, we are going to study the establishment of a system for issuing a compulsory log book for every automobile as is done in several countries. This system exists for ships and planes and the question should be studied as soon as possible. This log book could be very simple and contain only essential information concerning each automobile.

(6) Demerit System

A demerit system should be set up whereby incompetent or negligent drivers would run the risk of losing their chauffeur's or driver's permit. When a really serious offence is committed by a driver or a chauffeur, not only would the demerit system be used, but the offence in question would be reported to the insurance companies which, in determining their rates, would require higher premiums for these categories of people and reduce the premiums for good drivers.

E. PACKAGING AND LABELLING

This is another subject which has frequently come before the Council and which has been discussed. If study has not been pursued further, this is due not to a lack of interest on the part of the Council, but rather to the urgent nature of regulations which were absolutely necessary for the integral putting into effect of the Act. As regards packaging, the Council discussed the following points in particular.

(1) Safety Bottles

Dangerous products cannot be packaged in the same way as a pound of butter or a bottle of milk. More extreme precautions should be taken. The federal government has already done some legislating in this field, and the province might go further. It has already done so as regards dynamite. The Council recommends especially that bottles and other recipients containing medicine be made in such a way that children cannot open them. Aspirin bottles in particular were singled out. There are bottles on the market which are non-breakable and have secure caps and which should be used by pharmacists for sales to families. In any event, safety packaging should be used in all homes.

(2) Safety packaging

A study should be undertaken to describe safety packaging for all dangerous domestic products. The Federal law on packaging and labelling obliges merchants to indicate any possible dangers of a product with easily recognizable markings. An adult may understand these labels but a child will not. It must not be forgotten that most children do not know how to read and have a tendency to touch everything. For this reason we recommend that packaging be done in such a way as to make it "child-proof".

(3) Misleading Packaging

Certain packaging is misleading just by its outside appearance. Think, for example, of those huge boxes which contain as much air as they do soap. Certain consumers buy these large sizes because they believe them more economical than the smaller ones which is often false. Here are more abuses which should be corrected.

(4) Non-returnable Bottles

Non-returnable bottles cause pollution. Some of the provinces have drawn up bills to regulate this problem. The progress of these bills should be followed and the Minister responsible for the environment in our province should be contacted.

(5) Misleading Labelling

There is not only the problem of the package and the contents. We also have the labels to deal with. In no way should they be misleading.

Compulsory provisions should be imposed, especially as regards medicines, and the language used on these labels should be standardized.

IV - WORK INSTRUMENTS

Whoever has read this report will realize that, while attacking the primary job of the study of the necessary regulations for putting the Act into force, the Council has pin-pointed and is aware of other urgent problems concerning consumer protection. The listing of the problems mentioned above leads to the conclusion that the job cannot be done unless the persons working in the field of consumer protection are adequately equipped. The tools needed are: THE BUREAU AND THE COUNCIL.

A. THE BUREAU

We note that the Bureau still has no permanent director. We regret this vacancy. Until now several persons have been appointed to take charge of the Bureau temporarily, and we would like to believe that they have done their best. However, the Bureau needs a person who will be at the helm not only for a few days or a few months, but for the whole journey. Such a person will not only be able to deal with everyday problems but also to plan the work of this body whose rôle is of the utmost importance.

The Minister has done everything possible to find a director worthy of this post and the machinery of the Civil Service has done little to help him. The result: no director. Whatever the reason for this gap, it must be remedied and the appointment made as soon as possible.

The offices of the Bureau in Québec and Montréal are quite well equipped and coordination between the two is improving. We hope this improvement will continue. We believe, however, that one office in Montréal and one in Québec, are clearly insufficient for the

whole province. The department and the government should attempt to open regional offices in each administrative region of the province, as soon as possible. If at first it is impossible to have civil servants assigned to Consumer Protection, it will perhaps be possible to cooperate with those of other departments, especially Social Affairs. Another possibility would be to appoint persons on a part-time basis in each region. The director and his assistants could visit these regional offices regularly.

B. THE COUNCIL

In the past year, the Council worked with the means at its disposal, meaning personnel and premises which were loaned to it. Such a situation can only be temporary. To fulfill its rôle, the Council needs a secretariat and premises; it must be allowed to work in committees, and finally, it must be able to consult specialists and researchers.

(1) The Secretariat

The Council needs a secretariat. We note with pleasure that Maurice Marquis has been named permanent secretary and will have a competent secretary. We rejoice at the possibility that an assistant secretary will be named. Given Mr. Marquis' legal background, we feel his assistant should have a university background in some other field of the human sciences.

(2) The Premises

The Council must have proper premises. It especially needs a conference room adequate for the meetings of the Council and its committees.

(3) The Committees

We have just spoken about committees. The internal management by-law should be amended to permit the Council to form committees. We are thinking of committees of two or three members which, at times, could do much more work in specific fields requiring the specialized knowledge of the different members. Obviously, the committees would report to the full Council, which alone would be competent to make recommendations if judged appropriate.

(4) The Specialist Consultants

In their work, the Council and its committees will need to consult experts at times. One of the first fields to be explored will doubtless be that of advertising. This field is very complicated. To administrate it knowledgeably, we must know how it functions and the nature and quality of its products. Only experts can help us here and such experts rarely work for nothing. Consequently, such a position will have to be allowed for in the budget.

(5) The Researchers

In addition to the specialist consultants needed at times, the Council will also need researchers. Already, the secretary and his assistant will have to work in this capacity. It may happen that the Council occasionally recommend to the Minister the hiring of additional researchers for a predetermined period. We hope that the Minister will have sufficient resources in his budget to authorize the necessary outlays.

V - THE BUDGET

Any work done within the government for the protection of the consumer should be remunerated. This implies that the budget appropriations will be available. The Council has already stressed the limited amount of funds allocated to the Bureau for publicizing the Act. This sum should be considerably increased. The Council shoul appear officially for the first time, in the budget estimates, as an independent body with appropriate and sufficient resources for the pursuit of its objectives.

VI - THE COUNCIL, THE MINISTER AND THE BUREAU

Section 84 of the Act declares that:

> "Section 84: An advisory body is constituted under the name of "Consumer Protection Council" in English and "Conseil de la protection du consommateur" in French".

At the beginning of this report we spoke about the functions of this Council, as defined in Section 85 of the Act. At the moment, we wish to specify that we accept the nature of our Council which is, as mentioned in the Act, an advisory body. Besides, our recommendations may be made to the Minister or to the Lieutenant General in Council, as the case may be. For the moment we want to point out that our Council is not attached to the Department of Financial Institutions, Companies and Cooperatives in the same way as the Consumer Protection Bureau, because Section 76 of the Act states that:

> "Section 76: A Consumer Protection Bureau is established in the Department of Financial Institutions, Companies and Cooperatives." (1)

It is obvious that the functions entrusted to us by Section 85 are both very broad and very restricted. Everything depends on the Minister or the Lieutenant General in Council because we may not act legally except at the request of one or the other.

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(1) The text of the Act is not underlined.

The Council wishes to stress the nature of its relations with the present Minister of Financial Institutions, Companies and Cooperatives, William Tetley.

In addition to attending meetings of the Council and encouraging free, open discussion on the topics placed on the agenda at the request of the Department, he also encouraged the study of subjects submitted to the Council by its members.

This atmosphere has greatly contributed to the fruitful work of the Council and the enthusiasm of the members.

The civil servants entrusted with drawing up the regulations have been in constant communication with the Council and have worked in close collaboration with us. These civil servants were the instruments we needed to accomplish our job and they did not fail us.

As for the personnel of the Consumer Protection Bureau, they were at our disposal whenever we needed them. Accordingly, during the last few months we received detailed reports from the Bureau at each of our meetings. The temporary director of the Bureau attended our meetings and answered all our questions. This allowed us to see how the Act was applied.

We hope that the collaboration between the two bodies created under the Consumer Protection Act will increase in the future.

VII - RECOMMENDATIONS

The recommendations of the Council are listed here for easy reference:

1. The Act should cover certain aspects of cash sales, such as security and advertising.

2. The Act should contain a complete division on trust accounts.

3. Section 75 should be amended if necessary, in the light of the results of legal proceedings already underway.

4. Compulsory information similar to that already obligatory regarding subscriptions to journals and magazines should be imposed on subscriptions to books, records and cassettes.

5. A serious study of abuses by agencies for the collection and consolidation of debts should be undertaken; the necessary provisions to remedy these abuses should be inserted in the Act.

6. The possibility of empowering the director of the Consumer Protection Bureau and even groups of consumers to appear before the courts on behalf of other consumers should be examined.

7. Technical problems resulting from the present Act, such as difficulties of interpretation stemming from the present definitions, shoud be corrected.

8. The Department of Financial Institutions, Companies and Cooperatives should, in the light of experience, assess the value of advertising methods used to publicize the Act and its regulations.

9. The Department of Financial Institutions, Companies and Coopératives should attempt, in collaboration with the intermediary bodies and public organizations, to reach the public more efficiently.

10. This Department should use all channels (press conferences, information bulletins, radio and television programs, etc.) to increase the free advertising offered by the information media.

11. It should also considerably increase the advertising budget of the Bureau.

12. A joint information and advertising program should be set up by the Department of Financial Institutions, Companies and Cooperatives, in close collaboration with advertising agencies and information media, especially television.

13. Standards should be defined for advertising in general.

14. Rules concerning advertising for children should be made as soon as possible.

15. Special attention should be paid to advertising intended for children, in which children are used as actors.

16. The nature of complaints concerning the sale of used cars should be carefully studied and strict rules should be made to remedy the most shocking abuses.

17. The Council hopes that the draft special regulation number 3 published by the Department of Labour and Manpower in the Official Gazette on April 8, 1972, dealing with the training and vocational qualification of manpower and applied to automobile repair and maintenance will be adopted and put into force as soon as possible.

18. A bill should be submitted soon after receipt of the report of the Committee entrusted with studying automobile insurance.

19. As concerns the sale of automobiles, the government should exercise the powers granted to it by Section 102, especially the following paragraphs:

> "h): to prescribe the information which a used automobile vendor must disclose respecting a used automobile which he offers for sale;"
>
> "i): to prohibit the making of such changes as he indicates to used automobiles or parts thereof, and compel the disclosure of the permissible changes which he indicates;"
>
> "l): to determine standards of quality and safety for goods;"
>
> "m): to determine standards for written instructions and manuals respecting use and maintenance of goods, and the language in which they must be drafted."

20. The Department of Transport should study the possibility of issuing a log book for each automobile; this log book would be very simple and contain just essential information concerning each automobile.

21. The same Department should institute a demerit system whereby incompetent or negligent drivers would lose their driver's or chauffeur's permit.

22. Bottles and other containers holding medicine should be made in such a way that children cannot open them.

23. Unbreakable bottles with safety caps should be used by pharmacists selling medicine to families.

24. A study should be undertaken to describe and impose safe packaging for all dangerous domestic products.

25. Abuses resulting from misleading packaging should be corrected.

26. The commercial use of non returnable bottles should be studied in collaboration with the Minister responsible for the environment, in the light of bills drawn up in other provinces.

27. The language used on labels as well as their contents (compulsory information) should be standardized.

28. A director of the Bureau should be appointed as soon as possible.

29. The Bureau should eventually have offices in each administrative region; in the beginning civil servants from other departments or persons working on a part time basis could enforce the Consumer Protection Act.

30. Budget items concerning the protection of the consumer should be considerably increased.

31. We hope an assistant will be appointed to the Secretary of our Council as soon as possible, and that this assistant have a university background in the human sciences.

32. The Council should have proper premises and an adequate conference room.

33. The Council should be permitted to form committees.

34. The Council should have a budget allowing it to hire specialist consultants and researchers.

35. The Council should appear in the budget estimates as a body having sufficient resources for the pursuit of its objectives.

THE CONSUMER PROTECTION COUNCIL

by: LAVAL GRONDINES, President

September 15, 1972

SERVICE DE LA POLYCOPIE
Novembre 1972